

News Release



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Contact: Gloria Della
Phone: (202) 693-8664

Labor Department Seeks Appointment of Independent Fiduciary For Orphaned Alabama 401(K) Plan

HUNTSVILLE, Ala. -- The U.S. Department of Labor filed a lawsuit here on May 5, 2003, to obtain a court-appointed independent fiduciary to manage, terminate and distribute the assets to participants and beneficiaries of the 401(k) plan of Keathley Aviation, Inc. of Mobile, Ala.

“When the defendant abandoned the plan, participants were unable to get pension distributions or make inquiries about their benefits,” said Howard March, regional director of the Atlanta Office of the Employee Benefits Security Administration (EBSA) that investigated the case.

Plans become "orphan plans" when they are abandoned by all fiduciaries designated to manage and operate them and their assets.

Keathley Aviation, an aircraft parts manufacturer, ceased operations in June 2001. As of Sept. 25, 2002, the plan covered 46 participants and had \$27,445.74 in assets.

The lawsuit alleges Thomas Keathley, the plan's fiduciary, violated the Employee Retirement Income Security Act (ERISA) when he abandoned the plan and could not be located.

The lawsuit, asks the court to appoint an independent fiduciary to manage the plan and to remove Keathley as the plan fiduciary. The suit was filed in federal district court in Huntsville, Ala.

Employers and workers can reach the Atlanta Regional Office at (404) 562-2156 or EBSA's toll free number, **1-866-444-EBSA (3272)**, for help with problems relating to private-sector pension and health plans.

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(Chao v. Keathley Aviation, Inc. 401(k) Plan)
Civil Action No. CV-03-S-1025-NE